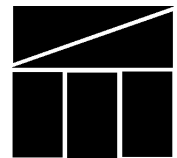


2010-2012 Biennium Nonstate Agency Instructions



**Virginia Department of
Planning and Budget
October 2009**

Overview

These instructions are to be used for preparing and transmitting budget requests for nonstate agencies for the 2010-2012 biennium, or FY 2011 and FY 2012. FY 2011 covers the period July 1, 2010, through June 30, 2011, and FY 2012 covers July 1, 2011, through June 30, 2012.

Nonstate agencies are defined in §§2.2-1505 and 2.2-4343 A.14 of the Code of Virginia and §4-5.05 of the 2009 Appropriation Act. Copies of these sections are found in Attachment A, B, and C.

The primary purpose of state support of nonstate agencies is to assist with capital expenditures or improvements and organizational or operating assistance of a limited duration to help during periods of growth or change and other expensive items of a one-time nature. State support is not available and should not be sought for operating support on a continual or long-term basis.

Your request will consist of a completed Form NSA-1, Nonstate Agency Budget Request (included in this packet). Agencies must submit this form to DPB no later than 5:00 P.M., Wednesday, November 18, 2009. The requests should be submitted electronically as an e-mail attachment to the following address: NonstateBudget@dpb.virginia.gov. If your request is received after the deadline, there is no assurance that the Governor will consider it prior to final decisions on the budget. Feel free to attach to the email any supporting materials.

Requests received by November 18, 2009 will be considered by the Governor for inclusion in his introduced budget. On December 18, 2009, the Governor's introduced budget bill will be made public as the 2010 Budget Bill (after December 18, 2009, please visit DPB's homepage, www.dpb.virginia.gov, to view a PDF version of the Governor's budget to see if your organization's request was included). The Budget Bill then goes to the state legislature for consideration. During the 2010 Session of the General Assembly, the bill will be amended and voted upon by the legislature. Once deliberations have commenced, the version of the budget bill approved by the legislature will be reviewed by the Governor for signature. Upon signing by the Governor, the Budget Bill becomes law, which will be the 2010 Appropriation Act. Any funding included for your organization will be finalized in the 2010 Appropriation Act.

Questions regarding the application process may be directed to: Emily Ward at (804) 786-7325 or emily.ward@dpb.virginia.gov or Don Darr at (804) 786-1131 or don.darr@dpb.virginia.gov.

If your organization is appropriated funding in the 2010 Appropriation Act, you will be required to complete a separate application (including proof of matching funding) to receive payment. The Department of Historic Resources (DHR) administers this Payment Application. To obtain this application, contact Patty Hurt at DHR at patty.hurt@dhr.virginia.gov or (804) 862-6198. Questions regarding the payment process may also be directed to Patty Hurt at or Ann Andrus at (804) 367-2323 (ext. 133) or ann.andrus@dhr.virginia.gov.

Criteria for Funding

The following are general guidelines that must be followed to be considered and approved for state funding:

Location - Your agency must be located in and operated in Virginia.

Purpose - The requested state support must be for a purpose clearly identifiable as cultural, historic, or artistic in nature. It must be for capital expenditures or operating assistance of a limited duration.

Ineligible Organizations - The Constitution of Virginia prohibits state appropriations to a religious organization or a private institution of higher education.

Federal Income Tax Exemption - Your agency must be a nonprofit organization exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

Matching Funds - The matching fund requirements, summarized from Attachments A and B, stipulate that:

- ✓ Your agency must present an equal match for the state grant, whether the grant is for operating or capital purposes. **Please be aware that the required match must be certified by the Secretary of Finance prior to the funds being released.**
- ✓ Match must be in cash, cash equivalent (securities which can be converted to cash within 30 days), or in-kind unless the agency is a political subdivision.
- ✓ Match must be from local or private sources. "Local" means funds from local governments, other local entities and federal funds. It excludes state funds.
- ✓ Match must be available on July 1, 2010, for funding requested for FY 2011 and July 1, 2011, for funding requested for FY 2012. If not available until after July 1, the state grant will be released when the matching funds are available. Note the following requirements of §2.2-1505 of the Code of Virginia:
 1. Funds received and spent prior to the effective date of the state grant are not eligible to be counted as a match. Likewise, in-kind match must be available within the grant period.
 2. If available funds were used to meet the match requirement for any state grant issued by any previous appropriation act, they may not be used to satisfy the new matching requirements even if they are still available.
 3. Match funds must be concurrent with the purpose for which state funds are requested. This means that the proposed expenditure of the match funds must be the same as that for the state funds.

Virginia Public Procurement Act - If your agency plans to use more than \$10,000 for capital expenses, the Virginia Public Procurement Act may apply. See Appendix C.

Pass-Through - The request should be for your agency directly. A pass-through from your agency to another organization not owned or controlled by your agency will not be approved.

Instructions for completing Form NSA-1, Nonstate Agency Budget Request

This form is available in Microsoft Word format on DPB's web site at <http://dpb.virginia.gov/forms/forms.cfm>. If you fill in the form in Microsoft Word, spaces provided for you will expand as needed to fit the information.

A. Background

1. **Legal agency name.** Give the official name of the agency. This means the name under which it is incorporated or otherwise authorized to do business in Virginia.
2. **Agency location.** Give the address of the principal office or location and the address of any other offices or locations.
3. **Chief executive officer.** Indicate the contacts for the president, executive director, or chief executive officer of your organization.
4. **Legal status.** Check the appropriate box to indicate whether your organization is a corporation, foundation, authority, partnership, political subdivision, or other. If "other," please describe.
5. **Statutory authority.** If your organization is established by statute enacted by the General Assembly of Virginia, identify the statute (Act of Assembly or Code of Virginia) and date of its enactment.
6. **Tax status.** Indicate if your organization is exempt from taxation under § 501 (c) (3) of the United States Internal Revenue Code. Show the tax identification number and date of approval.
7. **Affiliation with higher education.** Indicate if your organization is a private institution of higher education or affiliated with a private institution of higher education. If "yes," identify the institution and describe your organization's affiliation with that institution.
8. **Affiliation with religious organization.** Indicate if your organization is a religious organization or affiliated with a religious organization. If "yes," identify the religious organization and describe your organization's affiliation with that organization, if any.

B. Agency Profile

1. **History.** Write a short paragraph summarizing the history of the agency, including when and why it was created and by whom.
2. **Organization summary.** Briefly describe how the agency is organized, including a summary of the major functions of organization subunits (bureaus, divisions, field offices, etc.). The organization summary should help explain the information contained in the agency's organization chart, not repeat it.

3. **Mission.** Cite the organization mission. The mission is a statement of an organization's purpose; the fundamental reason for an organization's existence. A mission statement should be broad enough to provide organization-wide strategic direction, yet specific enough to communicate the reason for the organization's existence to those not familiar with its work.
4. **Goals.** The goal section is used to list each of the goals identified by the organization and additional supporting information. A goal is a broad statement of the long-term results needed to accomplish the organization's mission and achieve its vision. It is typically phrased in general language and begins with an action verb, such as *strengthen, serve, become, and improve*. It is recommended that an organization not have an overwhelming number of goals. Approximately five to seven goals are generally considered manageable.
5. **Performance measurement.** Please include a brief description of how your organization monitors progress and assesses resources used, work produced, and intended results achieved. .
6. **Agency budget.** The section contains a table that depicts the total agency budget estimate for the previous fiscal year, the current fiscal year, and next fiscal year. Break out funding by major fund source, such as grants, admission fees, state funding, sales, etc. After listing all of the major fund sources, provide a total for the agency. Note if the information shown in the table is for a period different from the state's fiscal year which runs from July 1 to June 30.

C. Request and Justification

1. **Requested state appropriation.** Fill in the table to indicate the amount the agency is requesting for operating funds and the amount being requested for capital improvements. Operating expense requests are to be shown as one-time or recurring.

“Operating expenses” means payment of salaries, purchase of supplies, heat, light, power and other expenses of normal maintenance and operation. It includes equipment for normal operation, such as typewriters, computers, calculators, and computer software. **“Capital expenses”** means expenditures for acquisition and purchase of land and structures, construction of buildings, renovation of buildings, major repairs, and other capital purposes. It includes equipment associated with construction and renovation of buildings.

2. **Methodology for cost of proposal.** Provide an explanation of the methodology used to calculate the costs of the proposal.
3. **Description of how the money will be spent.** Describe the product, service, or facility that will be financed by the state appropriation. If the request is for operating expenses, indicate whether the expenses are one-time or on-going. If on-going, describe how the expenses will be funded once the state grant ends. If the request is for capital purposes, describe the proposed facility or improvements to the existing facility. What is the timeline for the procurement? Also, indicate what impact the capital expense will have on your agency's operating plan and how any additional operating expenses will be funded.

4. **Economic benefit.** Describe how the proposal will result in economic benefit to the Commonwealth of Virginia in terms of visitation, employment, payroll, or other economic contributions.
5. **Why agency is requesting a state appropriation.** Explain why your organization is seeking state funding. For example, what is the condition, opportunity, or problem intended to be addressed by the state appropriation? What public purpose will be served by a state appropriation to the agency? How will state funding help the agency carry out its mission? Who will likely benefit from the state appropriation (describe customers, clients, etc.)?
6. **Other sources of support.** Identify other funding sources, along with the amount, intended to be used in addition to the state appropriation? What percentage is the requested state grant of the total amount of support you anticipate for this purpose?
7. **Consequences of not funding.** Describe the impact on services, products, customers, goals, or objectives if this request is not funded.
8. **Expected outcome.** Indicate how you will measure the success of the effort if this proposal were to be funded, giving the specific outcome you expect.

D. Matching Funds

Provide in the table the amount and a description of the proposed matching funds. Identify the source of the proposed matching funds and when they will be available. The state appropriation will be available on July 1 or shortly thereafter. The matching funds should be on hand and available on the same date. If the proposed match includes in-kind contributions, please describe in detail. After the last entry, provide a grand total.

E. Certification

Provide the name and working title of the person or persons filling out the form as well as agency information. If an online signature of the chief executive officer is available, please provide it in the slot provided.



Nonstate Agency Budget Request

This information is requested by the Department of Planning and Budget pursuant to §2.2-1505 of the Code of Virginia. Each question must be answered. An incomplete form will delay your budget request.

A. Background

1. Legal agency name: _____

2. Agency location: _____

3. Chief executive officer:

Name: _____

Title: _____

Business address: _____

Telephone number: _____

E-mail address: _____

4.. Legal status of organization:

☐ Corporation ☐ Foundation ☐ Authority ☐ Partnership ☐ Political subdivision

☐ Other Please explain _____

5. Is your organization established by a statute enacted by the General Assembly of Virginia?

☐ yes ☐ no

If "yes," identify the statute (Act of Assembly or Code of Virginia) and date of its enactment.

6. Is your organization exempt from taxation under § 501 (c) (3) of the United States Internal Revenue Code?

☐ yes ☐ no

Tax identification number: _____

Date of approval: _____

7. Is your organization a private institution of higher education or affiliated with a private institution of higher education?

☐ yes ☐ no

If "yes," what is the institution and how is your organization affiliated?

8. Is your organization a religious organization or affiliated with a religious organization?

☐ yes ☐ no

If "yes," what is the religious organization and how is your organization affiliated?

B. Agency Profile

1. History:

2. Organizational summary:

3. Mission:

4. Goals:

5. Performance measurement:

6. Agency Budget:

<i>Source of Funding</i>	<i>FY 2009 Actual</i>	<i>FY 2010</i>	<i>FY 2011</i>
<i>Total</i>			

C. Request Justification

1. Requested State Appropriation:

	FY 2011	FY 2012
Operating expense	\$	\$
One-time		
Recurring		
Capital expense	\$	\$
Total Request	\$	\$

2. Methodology for cost of proposal:

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3. Description of how the money will be spent:

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4. Economic benefit:

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5. Why agency is requesting a state appropriation:

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6. Other sources of support:

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7. Consequences of not funding:

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8. Expected outcome:

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D. Matching Funds

Source of funds	Description of funds	Date Funds Available	Amount
			\$
			\$
			\$
			\$
			\$
			\$

E. Certification

I hereby certify that the information provided herein is correct and accurate, to the best of my knowledge.

**Person completing
this questionnaire:**

Typed name

Date

Title

Online Signature (if available)

ATTACHMENT A
2009 APPROPRIATION ACT
(CHAPTER 781, 2009 ACTS OF ASSEMBLY)

§4-5.05 NONSTATE AGENCIES, INTERSTATE COMPACTS AND ORGANIZATIONAL MEMBERSHIPS

a. The accounts of any agency, however titled, which receives funds from this or any other appropriating act, and is not owned or controlled by the Commonwealth of Virginia, shall be subject to audit or shall present an audit acceptable to the Auditor of Public Accounts when so directed by the Governor or the Joint Legislative Audit and Review Commission.

b.1. For purposes of this subsection, the definition of "nonstate agency" is that contained in [§2.2-1505](#), Code of Virginia.

2. Allotment of appropriations to nonstate agencies shall be subject to the following criteria:

a) Such agency is located in and operates in Virginia.

b) The agency must be open to the public or otherwise engaged in activity of public interest, with expenditures having actually been incurred for its operation.

3. No allotment of appropriations shall be made to a nonstate agency until such agency has certified to the Secretary of Finance that cash or in-kind contributions are on hand and available to match equally all or any part of an appropriation which may be provided by the General Assembly, unless the organization is specifically exempted from this requirement by language in this act. Such matching funds shall not have been previously used to meet the match requirement in any prior appropriation act.

4. Operating appropriations for nonstate agencies equal to or in excess of \$150,000 shall be disbursed to nonstate agencies in twelve or fewer equal monthly installments depending on when the first payment is made within the fiscal year. Operating appropriations for nonstate agencies of less than \$150,000 shall be disbursed in one payment once the nonstate agency has successfully met applicable match and application requirements.

5. The provisions of § 2.2-4343 A 14, Code of Virginia shall apply to any expenditure of state appropriations by a nonstate agency.

c.1. Each interstate compact commission and each organization in which the Commonwealth of Virginia or a state agency thereof holds membership, and the dues for which are provided in this act or any other appropriating act, shall submit its biennial budget request to the state agency under which such commission or organization is listed in this act. The state agency shall include the request of such commission or organization within its own request, but identified separately. Requests by the commission or organization for disbursements from appropriations shall be submitted to the designated state agency.

2. Each state agency shall submit by November 1 each year, a report to the Director, Department of Planning and Budget, listing the name and purpose for organizational memberships held by that agency with annual dues of \$5,000 or more.

ATTACHMENT B

§2.2-1505 OF THE CODE OF VIRGINIA

§ 2.2-1505. Estimates by nonstate agencies of amounts needed.

- A. Except as provided in §§ [10.1-2211](#), [10.1-2212](#), and [10.1-2213](#), no state funds shall be appropriated or expended for, or to, nonstate agencies unless:
 - 1. A request for state aid is filed by the organization with the Department of Planning and Budget, as required by § [2.2-1504](#).
 - 2. The nonstate agency certifies to the satisfaction of the Department that matching funds are available in cash from local or private sources in an amount at least equal to the amount of the request. These matching funds shall be concurrent with the purpose for which state funds are requested. Contributions received and spent prior to the state grant shall not be considered in satisfying the requirements of this subdivision.
 - 3. The nonstate agency provides documentation of its tax-exempt status under § 501 (c) (3) of the United States Internal Revenue Code.
- B. Except as provided in §§ [23-38.11](#) through [23-38.18](#), no state funds shall be appropriated to, or expended for, a private institution of higher education or religious organization.
- C. For the purposes of this section, a "nonstate agency" means any public or private foundation, authority, institute, museum, corporation or similar organization that is not a unit of state government or a political subdivision of the Commonwealth as established by general law or special act. It shall not include any such entity that receives state funds as a subgrantee of a state agency or through a state grant-in-aid program authorized by law.

(1989, c. 711, § 2.1-394.1; 1998, c. 467; 2001, c. 844.)

ATTACHMENT C

Virginia Public Procurement Act

The Virginia Public Procurement Act may apply to a state grant in excess of \$10,000 if the grant is to be used for the purposes described below.

§2.2-4343 A 14 OF THE CODE OF VIRGINIA

A. The provisions of this chapter shall not apply to:

14. Procurement of any construction or planning and design services for construction by a Virginia nonprofit corporation or organization not otherwise specifically exempted when (i) the planning, design or construction is funded by state appropriations of \$10,000 or less or (ii) the Virginia nonprofit corporation or organization is obligated to conform to procurement procedures that are established by federal statutes or regulations, whether those federal procedures are in conformance with the provisions of this chapter.

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